

Concise Explanatory Statement

Rhode Island Government Register

In accordance with the Administrative Procedures Act, R.I. Gen. Laws § 42-35-2.6, following is a concise explanatory statement:

AGENCY: Rhode Island Department of Business Regulation (“Department”)

DIVISION: Insurance

RULE IDENTIFIER: 230-RICR-20-40-2

REGULATION TITLE: Unfair Property/Casualty Claims Settlement Practices

RULEMAKING ACTION: Direct Final Amendment

REASON FOR RULEMAKING:

The rule sets forth the regulatory requirements for Unfair Property/Casualty Claims Settlement Practices.

In the 2018 legislative session, the legislature amended the statute upon which the regulation is based by virtue of 2018 P.L. chs. 298 and 321. Those changes were incorporated into the regulation by amendment after hearing effective June 11, 2019. Another amendment was made to the statute in 2019 P.L. chs. 84 and 85. When the regulation was proposed on 09/08/19 for amendment to incorporate the changes necessary by virtue of the 2019 legislative change, the 2018 amendments were inadvertently reversed. This proposal reincorporates the necessary amendments resulting from the 2018 legislative changes, which have already been the subject of a complete rulemaking process (public comment period from 1/17/19 to 2/19/19 with a public hearing on 2/13/19).

The Department proposes to make the following substantive changes to the regulation to comport with the statutory changes:

§ 2.3(A)(1) – the word “body” has been removed in accordance with the statutory amendment.

§ 2.3(A)(14) – the definition of “licensed motor vehicle glass repair shop” has been added.

§ 2.8(A)(3) – the phrase “of the fair market value of the motor vehicle immediately preceding the time it was damaged” has been added to provide clarification to the requirement.

§ 2.8(C)(5) – the provision has been amended to match the 2018 amendments to the statute cited above.

CHANGES TO TEXT OF THE RULE:

No objections or comments were received. Therefore, the final rule is the same as what was proposed.

REGULATORY ANALYSIS:

These proposed amendments will result in no adverse impact for small businesses. In the development of the proposed adoption consideration was given to: (1) alternative approaches; (2) overlap or duplication with other statutory and regulatory provisions; and (3) significant economic impact on small business. No alternative approach, duplication, or overlap was identified based upon available information.